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SERVICE DATE – MARCH 20, 2019

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36277]

Iowa Northern Railway Company—Lease Exemption with Interchange Commitment—  
Rail Line of Union Pacific Railroad Company

Iowa Northern Railway Company (IANR), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to lease from Union Pacific Railroad Company (UP) and operate approximately 6.9 miles of rail line in Black Hawk County, Iowa, known as the Waterloo Industrial Line (the Line). The Line is located between milepost 325.1 and milepost 332.0 and includes a rail yard located at approximately milepost 326.5 and certain side tracks located at approximately milepost 329.0 and milepost 331.5.

IANR states that an agreement between UP and IANR was reached in February 2019 for IANR's lease and operation of the Line (the lease agreement).

IANR certifies that its projected revenues as a result of this transaction will not result in the creation of a Class I or Class II rail carrier and will not exceed \$5 million. As required under 49 C.F.R. § 1150.43(h)(1), IANR has disclosed in its verified notice that the lease agreement contains an interchange commitment that will require IANR to pay additional charges to UP for carloads that originate or terminate on the Line that are

not interchanged with UP.<sup>1</sup> IANR has provided additional information regarding the interchange commitment as required by 49 C.F.R. § 1150.43(h).

IANR states that it expects to commence operations immediately following the effective date of this transaction, which, unless stayed, will be April 3, 2019 (30 days after the verified notice of exemption was filed).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than March 27, 2019.

An original and 10 copies of all pleadings, referring to Docket No. FD 36277, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on T. Scott Bannister, Esq., Iowa Northern Railway Company, 201 Tower Park Drive, Suite 300, Waterloo, IA 50701.

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<sup>1</sup> A copy of the lease agreement was submitted under seal with the verified notice. See 49 C.F.R. § 1150.43(h)(1).

According to IANR, this action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c) and from historic reporting under 49 C.F.R. § 1105.8(b).

Board decisions and notices are available at [www.stb.gov](http://www.stb.gov).

Decided: March 15, 2019.

By the Board, Allison C. Davis, Acting Director, Office of Proceedings.